

# **Funding in the American Recovery and Reinvestment Act of 2009 (HR 1)**

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## ARRA 2009 to date

- Final Votes: House 246-183, Senate 60-38
- February 17, 2009- Signed in to law by President Obama
- \$787 billion in new spending and tax cuts
- \$20 billion to aid in the development of a robust IT infrastructure for healthcare and to assist providers and other entities in adopting and using health IT

# Overview of Funding

- \$2 billion for the Office of the National Coordinator (ONC)
  - \$300 Million reserved for supporting regional HIEs
  - \$20 Million reserved for NIST to work on healthcare information enterprise integration
- \$17.2 billion in incentives through the Medicare and Medicaid reimbursement systems to assist providers in adopting EHRs
- \$4.7 billion for the National Telecommunications and Information Administration's Broadband Technology Opportunities Program

# Overview of Funding

- \$2.5 billion for the U.S. Department of Agriculture's Distance Learning, Telemedicine, and Broadband Program
- \$1.5 billion for construction, renovation, and equipment for health centers through the Health Resources and Services Administration (HRSA)
- \$1.1 billion for comparative effectiveness research within the Agency for Healthcare Research and Quality (AHRQ), National Institutes of Health (NIH), and the Department of Health and Human Services (HHS).

# Overview of Funding

- \$85 million for health IT, including telehealth services, within the Indian Health Service
- \$500 million for the Social Security Administration
  - \$40 million may be used for health IT research and adoption
- \$50 million for information technology within the Veterans Benefits Administration

# Funding and Incentives

- **Program to Facilitate and Expand the Electronic Movement and Use of Health IT**
  - Grants to states and qualified state-designated entities
  - Beginning in FY11
- **Loans to Providers**
  - Competitive grants to States and Indian Tribes for establishment of programs for loans to healthcare providers
- Beginning no earlier than January 1, 2010

# Funding and Incentives

## **Incentives through Medicare**

- Eligible professionals (physicians) and hospitals for the “meaningful use” of certified EHR technology
- Incentives offered 2011- 2015 for physicians and physicians will see a reduction in their Medicare reimbursements in 2015 if they are not meaningful users of certified EHR technology
- Incentives offered FY11-FY15 for hospitals and hospitals will see a reduction in their Medicare reimbursements in FY15 if they are not meaningful users of certified EHR technology

## **Incentives through Medicaid**

- Eligible providers must demonstrate a “meaningful use” of certified EHR technology
- Incentive payments offered 2011 - 2015